# Going Green or Going Out of Business

**Georgina Artigau** 

**Nadia Zul Hisham** 

Georgina Laplana

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**Green Deal** 



**Going Green** 



Going out of business



## GREENDEAL

Launched: 2019

By the EU Commission

**Affected Sectors:** Energy, Transport, Agriculture, Buildings, and Industry.

**Aims:** environmental sustainability, economic growth, and social inclusion.

Goal: climate neutrality by 2050

**Visionary:** Frans Timmermans





# Principles of the Green Deal



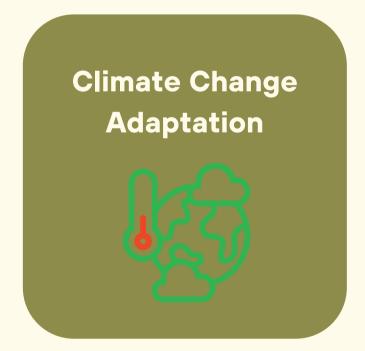






# Principles of the Green Deal









# Principles of the Green Deal





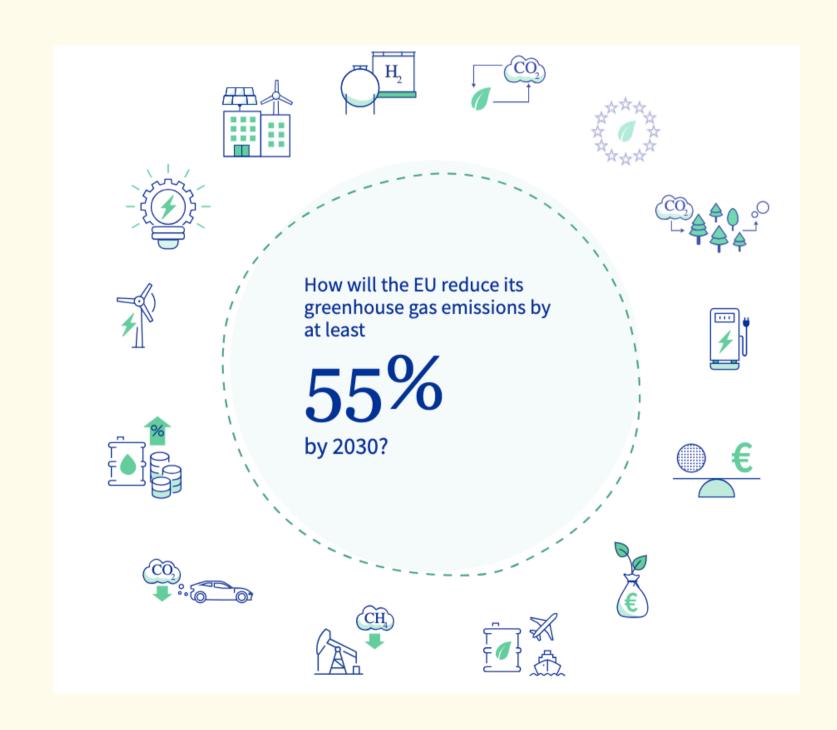
## FITFOR 55

Launched: 2021

By the EU Commission

**Affected Sectors:** Energy, Transport, Agriculture, Buildings, and Industry.

**Aims:** reduce EU's greenhouse gas emissions by 55% by 2030 compared to 1990 levels.



# Key legislative examples











## ENERGY TRANSITION













- Decarbonise operations
- Reduce fossil fuel use

## Renewable Energy Directive

 At least 42.5% of EU energy comes from renewable sources by 2030



#### Opportunities for:

- investment,
- innovation, and
- long-term savings through greater energy autonomy

# 1. Buildings

Buildings are responsible for:

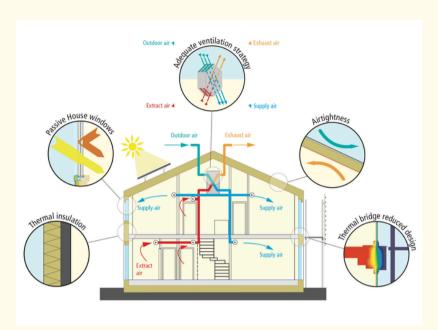
- 40% of our energy consumption and
- 36% of greenhouse gas emissions

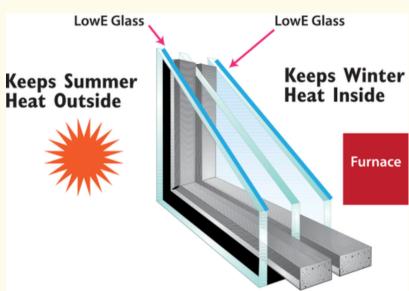
## Energy Performance of Buildings Directive

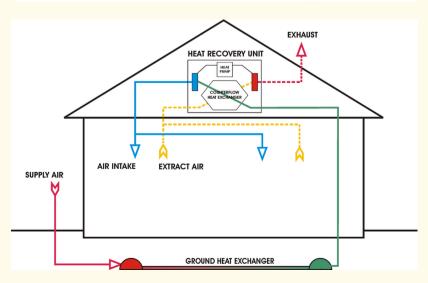




- Passive house standards,
- Triple-glazed windows,
- Ventilation systems with heat recovery, and
- Eliminate fossil-fuel-based heating altogether.







# 1. Buildings

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## **Energy Performance of Buildings Directive**





- Passive house standards,
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- Ventilation systems with heat recovery, and
- Eliminate fossil-fuel-based heating altogether.





## 2. Electronics



## 2. Electronics



## Ecodesign for Sustainable Products Regulation

- Manufacturers will have to offer:
- Spare parts for a minimum number of years,
- Repair manuals,
- And a clear repairability label



1 year



2 million tonnes of







Restructuring entire supply chains



Rethinking profitability



Opening up to new business models

## 2. Fashion



5 million tonnes of clothing

## EU Strategy for Sustainable and Circular Textiles 2030

#### Clothes <u>must</u> be:

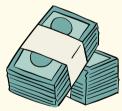
- Durable, repairable, and recyclable,
- Made with recycled fibres whenever possible,
- Free of hazardous chemicals,
- And traceable through Digital Product Passports.



#### Extended Producer Responsibility (EPR)









#### \_

# 3. Green logistics

#### 25% of EU emissions



#### Businesses will need to:

- Transition to electric or hydrogen vehicles,
- Create urban micro-distribution hubs,
- And use smart tech to reduce routes and emissions













## CHALLENGES FOR ENERGY PRODUCERS

#### **Structural**

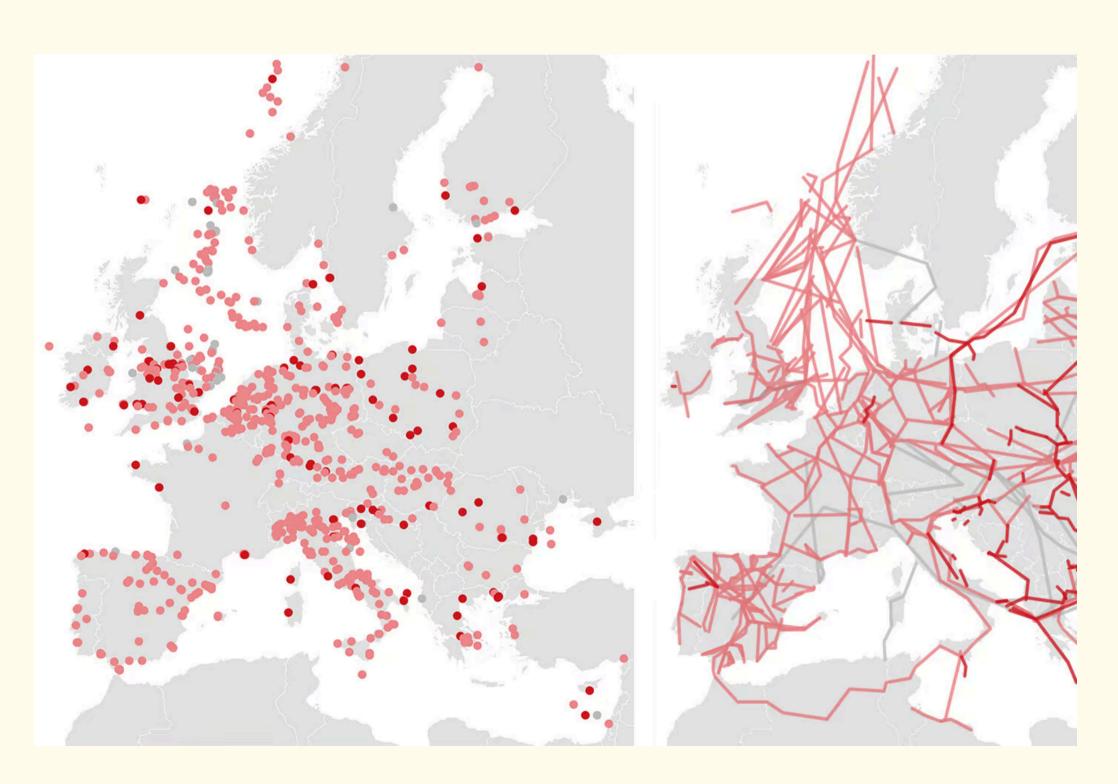
- Stranded assets & legacy infrastructure
- Grid integration issues
- Workforce transition & public resistance

#### **Financial**

High capital costs

#### **Political**

Regulatory uncertainty



## PORTFOLIO DIVERSIFICATION FAILURE

#### **Greenwashing**

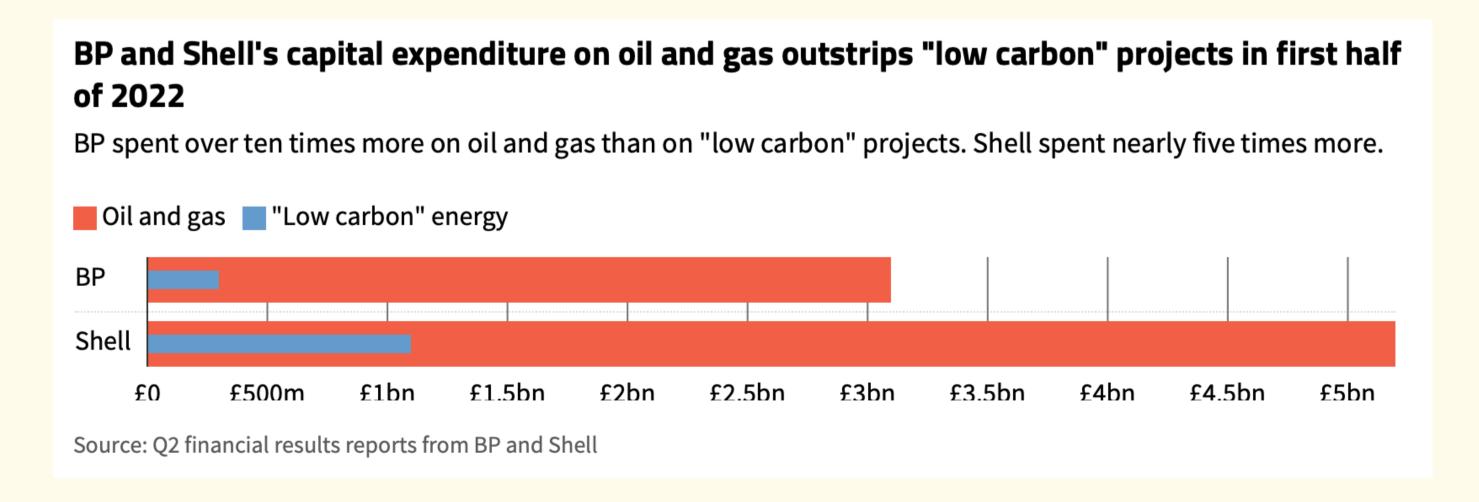
 Companies still maintaining or expanding fossil fuel operations

## Underperformance of new ventures

 Utilities struggle to operate wind or solar projects profitably

## Missed opportunities

 Early leaders made strong bets on renewable energy while others are only catching up



Understanding EU - Presentation 2025

## EMISSIONS TAXATION

## **EU Emissions Trading System**

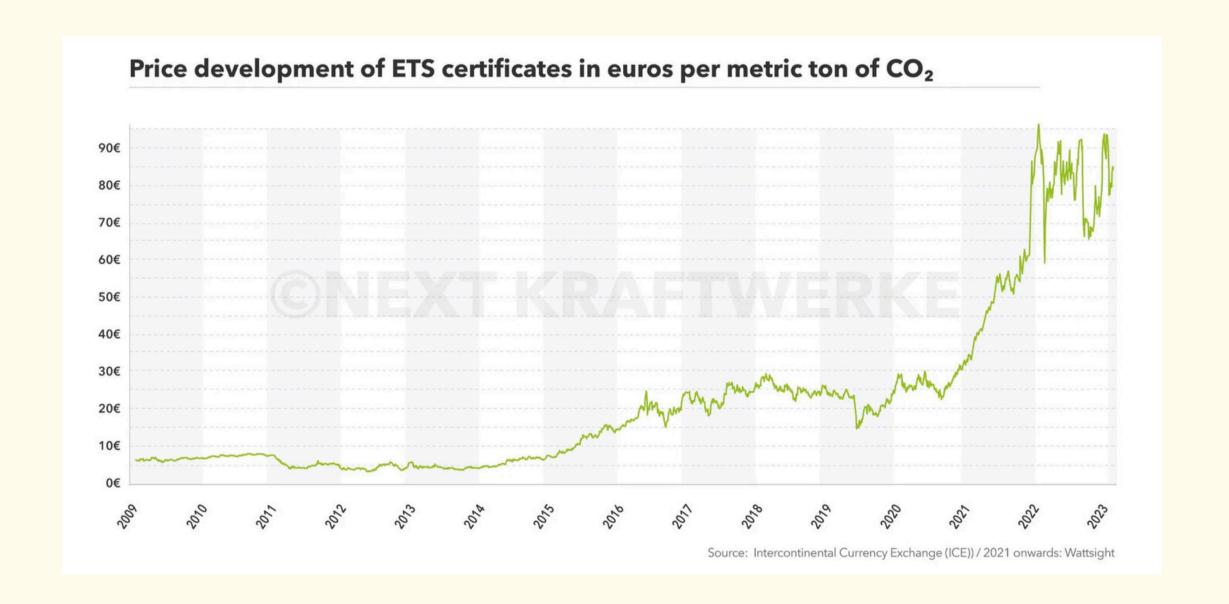
- Tightening of the ETS
- Rising compliance costs

## Carbon Border Adjustment Mechanism (CBAM)

- Payment of equivalent carbon costs
- Raises costs on carbon-intensive inputs

## Polluter Pays Principle

- Additional carbon taxes by governments
- E.g. Germany's national carbon pricing scheme



## ENERGY-EFFICIENT BUILDING CHALLENGES

## High upfront costs

 Retrofitting older models is expensive, especially for historical buildings

## Logical & technical challenges

- Limited space
- Shared walls
- Resident coordination

## Long waiting time

• Economically viable over time, but owners have to wait



## WHY REDESIGNING PRODUCTS IS COSTLY

## Fundamental rethinking of product architecture

• Starting from scratch - a huge investment!

## Loss of profits from spare-part monetisation

• Companies earn more by selling entire devices

## Supply chain disruption

• Costs more & harder to source



## FAST FASHION CIRCULARITY STRUGGLES

#### **Material complexity**

• Clothes are often made up of blended fabrics that are difficult to recycle

#### Too much, too fast

• Fast fashion operates on hyper-fast cycles

#### Recycling myths

• Exported to the Global South, landfilled or burned

## Greenwashing

 Sustainable clothes still shed micro plastics & has no system to be collected or recycled



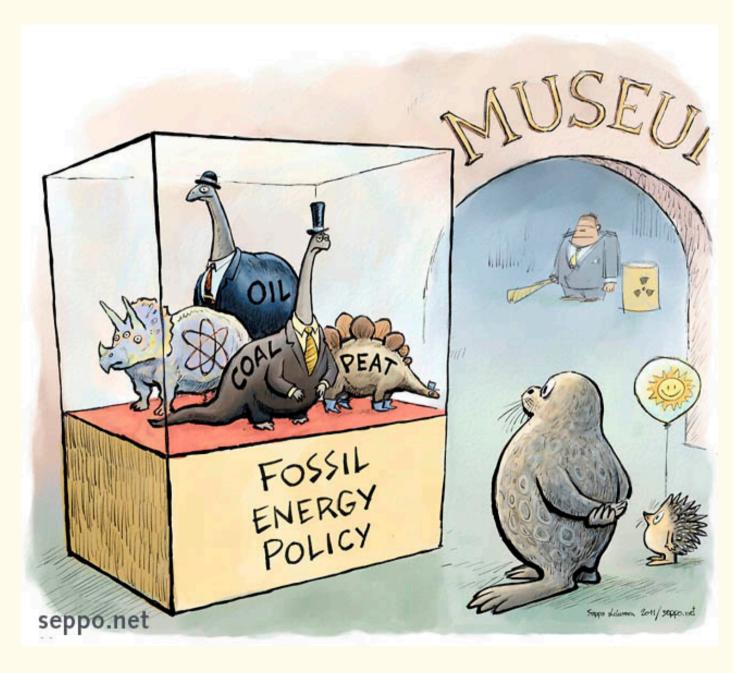
Second-hand footwear on display at a shop in Batam, Indonesia, where Reuters found donated shoes that were supposed to have been recycled in Singapore. REUTERS/Joe Brock

U.S. petrochemicals giant Dow Inc and the Singapore government said they were transforming old sneakers into playgrounds and running tracks. Reuters put that promise to the test by planting hidden trackers inside 11 pairs of donated shoes. Most got exported instead.

## PROS & CONS OF GREEN TRANSFORMATION

#### **Pros**

- Reduce energy consumption & greenhouse emissions
- Reduce waste
- Reduce fuel costs
- Reduce building costs in the long run
- Extend the life of electronics
- Opens space for innovation
- More durable & safe clothes



#### Cons

- Stranded assets & infrastructure
- Grid integration issues
- Workforce reskilling
- High capital costs
- Regulatory uncertainty
- Logistically & technically challenging
- Costly & labour intensive

# DEBATE QUESTIONS

To what extent can the European Green Deal balance economic competitiveness with environmental sustainability across high-emission industries?

How are principles like climate neutrality, circularity, and climate justice being translated into competitive advantage — or disadvantage — for European companies in global markets under the Green Deal?

**Georgina Artigau** 

Nadia Zul Hisham

Georgina Laplana

# Thank You

**Georgina Artigau** 

Nadia Zul Hisham

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**Georgina Laplana**